

Impact Assessment: An International Perspective

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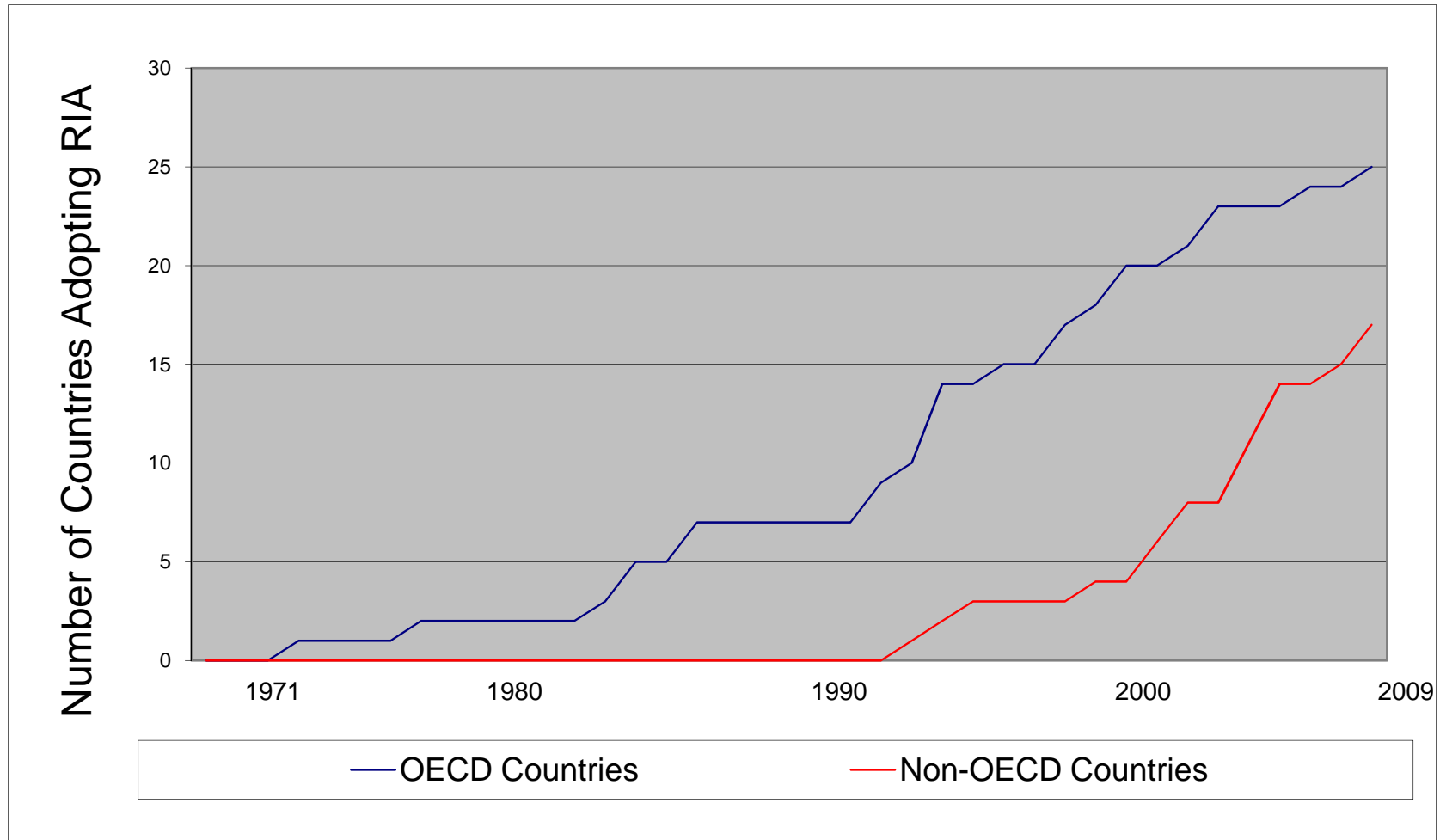
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(R)IA Has Spread Rapidly



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Drivers for RIA

- Today everybody demands good regulation ...
 - Bad regulation and ‘dumb’ regulation
- The crisis has exacerbated the demand
 - ‘Regulation issues’ quoted 47 times in 9 pages of G20 establishment Declaration (Nov 2008)
 - UK general election : All manifestos talk about better regulation



RIA is a Powerful Driver

- Economic efficiency
 - Europe competitiveness
 - Productivity
- Good governance
 - New public management
 - Transparency and accountability
- The EU factor around the world
 - EU Soft power for market based and accountability in trade partners



The Objectives of Impact Assessment are Common Sense

- “Better to prevent than to be sorry”
 - Ex ante evaluation of future regulatory (and non-regulatory) regulations
- The main objectives of IA are to improve:
 - Efficiency
 - Transparency
 - Accountability

But Has RIA Delivered?

- Some disappointments
 - A plateau?
 - Businesses are still unhappy
 - Is RIA a new fad?
 - Can work only in 'Anglo-Saxon' countries?
- Important challenges in the practices



Because Opposition, Inertia and Tradition

- By regulators
 - Tradition, capacity limits, lack of incentives, internal red tape, etc.
- By politicians (including MPs)
 - RIA is a ‘check and balance’ mechanism
- By regulatees
 - ‘Good old way’
 - Too long to produce results

Because the Costs of Doing RIAs

- No pain, no gain?
 - Unfunded mandates imposed by ‘champions’
- Calibration of IA scope
 - Too little or too much work
- Complex management of the system
 - Oversight of the system
- Difficulties to fit it to the rule-making process
 - RIA as ‘command and control’ regulation
 - Incompatibilities with other decision-making processes

Because Dispersion Due to Success and Capture

- Returning to ‘balkanization’ of policy making
 - Proliferation of ex ante tests
- Captured by interest groups
 - Information asymmetries
- RIA, PIA, IA
 - ‘test hopping’
 - Difficulties to do a IA of laws with multiple instruments and objectives

Because of Political Economy Reasons

- Over reaching and managing expectations
 - RIA requires time
- A too technocratic approach
 - Why best practice is not adopted?
 - Why SCM was quicker to get traction?
 - “Rights to good regulation” & the courts
- Difficulties to evaluate RIA
 - Contra factual, etc.

However, There are Some Ways out

- RIA as part of rulemaking infrastructure
 - Control at the source (forward planning)
 - Control at the end
- RIA and consultation
 - Decentralizing the ‘challenge function’
- Size is important
 - RIA in small jurisdictions
 - Mutual recognition (sub national level)



RIA and Technical Infrastructure

- E*RIA
 - Reducing ‘internal red tape
- Better targeting RIA
 - Two stages
- Focus supports
 - RIA ‘vouchers’ and special support agencies
- Better Oversight Bodies
 - Mandate, location, resources
 - Technical & political aspects
 - Networks of controls



Other Emerging Interesting Trends

- Building political constituencies
 - Business sector RIA bodies
 - Building political support for RIA after SCM
- Leveraging RIA
 - Climate change, E-gov
 - RIA in infrastructure policies (Telecom, Transport ...)
- Mainstreaming RIA
 - Competition and trade policies
 - Structural reform and State reform
- Checking on RIA
 - Audit Offices & independent bodies evaluations
 - Committees & processes

Summing Up

- RIA is a major economic governance reform in OECD and non OECD countries
- It is not an easy and fast road nor a ‘panacea’ for low-quality regulation
 - It is not a black box that can be installed at the end of a policy/regulatory process
- Requires adaptation, innovation and patience